CITY OF CONCORD COMMUNITY DEVELOPMENT ADVISORY COMMITTEE MINUTES OF JUNE 24, 2015

The regular monthly meeting of the Community Development Advisory Committee (CDAC) was held on June 24, 2015, in the Second Floor Conference Room, City Hall, 41 Green Street.

Present at the meeting were Chair Jeff Bart, Councilor Mark Coen, Councilor Allan Herschlag, Nadine Salley, Janet Sprague, Michael Gfroerer, and Councilor Byron Champlin. Director of Redevelopment Matt Walsh was also present.

Councilors Keith Nyhan and Brent Todd were excused.

- 1. Minutes of April 22, 2014: The Chair asked that the minutes be reviewed and approved. Councilor Champlin moved to accept the minutes as presented. Janet Sprague seconded the motion. Motion passed unanimously.
- 2. Community Development Block Grant Public Hearing: Donna Lane, CDBG Consultant for the City, made a brief presentation. She informed CDAC that CDBG regulations require the City hold a semi-annual public hearing on projects, which are currently underway and financed with CDBG funds. She stated the hearing would cover the three current projects: National Alliance on Metal Illness (NAMI) NH, the Children's Place and Parent Education Center, and Merrimack County CAP Head Start. Ms. Lane provided an overview of each project.

The Chair then opened a public hearing on all three projects at 12:09PM. Representatives from Merrimack County CAP briefly addressed CDAC and thanked the City for securing CDBG funds on their behalf to support their project.

The hearing was closed at 12:11PM. CDAC thanked Ms. Lane for her excellent work on all three projects.

3. Revolving Loan Fund Project – Application from Merrimack County Day Care Services: Matt Walsh provided a brief overview of his report to CDAC concerning the Merrimack County Day Care Services' (MVDC) revolving loan fund application for up to \$200,000. He explained that the loan would serve as matching funds for MVDC's CDBG application, for which the City will apply on behalf of MVDC at the end of July. Without matching funds, the grant application would be at a competitive disadvantage because of scoring criteria used by the NH Community Development Finance Authority.

Mr. Walsh explained that the loan and CDBG funds would be used to make a variety of building improvements to MVDC's property located at 19 North Fruit Street. The list of improvements was generated by a facility needs assessment completed a few years ago, which was funded by a \$12,000 CDBG grant.

Mr. Walsh explained that MVDC currently has a loan with the City and explained that three payments since October 2104 were late. Mr. Walsh also provided an overview of MVDC current financial situation. He also discussed potential terms for a loan, as set forth within his report to CDAC.

Members of CDAC inquired about the late payments. Mary Jane Wallner, Executive Director of MVDC, responded to the question and explained that delays in reimbursement payments from the state and federal government had caused cash flow issues for her organization; hence the late payments. She noted that the vast majority of her operating budget is derived from state and federal grants/programs.

CDAC also discussed the overall financial condition of MVDC, including financial information which indicated the organization was operating at a loss yet there was no significant change in MVDC's cash reserves. Ms. Wallner explained that the apparent losses were due to accrual accounting practices which included unpaid vacation and sick time for employees left on the books and carried over at the end of each fiscal year.

Ms. Wallner further explained that her goal is to secure the \$200,000 from donations from other sources and ultimately not close on the loan. However, the loan approval is critical in order to show matching funds for the CDBG application. Mr. Walsh explained that the staff was comfortable with this approach, and that any CDBG award would likely not be finalized until early 2016. Therefore, MVDC would have approximately six months to secure the \$200,000 needed from donations. However, in the event such efforts are only partially successful, MVDC could secure the remaining balance needed from the City as a loan.

Mike Gfroerer made the following motion:

- 1. To loan MVDC up to \$200,000 at 2.5% interest with a term of up to 30 years.
- 2. That the final loan amount be the net amount needed to be borrowed after MVDC exhausts other opportunities to raise said matching funds and that staff be authorized to set the final term of the loan at closing.
- 3. That the loan shall be secured by a mortgage / promissory note attached to MVDC's property located at 19 North Fruit Street, Concord;
- 4. That there shall be no penalty for early repayment of the loan.
- 5. That the loan shall only close in the event the associated CDBG application for renovations to the MVDC facility is awarded by the State of New Hampshire, and approved by the Governor and Executive Council.
- 6. All customary terms and conditions as set forth within the PIRP, as adopted June 8, 2015 by the City Council, shall apply.

The motion was seconded by Nadine Salley. The motion carried unanimously on a voice vote.

4. Revolving Loan Fund Program:

- a. Mr. Walsh provided an overview of the City's loan portfolio. Specifically, he noted the following:
 - That the Revolving Loan Fund Program and Emergency Grant Program currently have \$1.061 million available (prior to the approval of the aforementioned \$200,000 loan application for MVDC).

- Out of 27 active loans, one loan remains deferred, one loan was suspended by CDAC.
- During May, the following loans were paid off in full: Fisherville 107 Cooperative (due to a refinancing) and Fisherville Cooperative 82.
- Automatic Clearing House ("ACH") payments program was instituted in January 2015 and four RLF clients have elected to be part of the program, which automatically deducts their loan payments from their bank accounts
- 5. Other Business: A discussion ensued regarding the Mayor's recent comments at a City Council budget hearing that the City should consider using its Revolving Loan Fund program to provide low interest loans to downtown property owners to assist them with converting their buildings to new heating sources in the event Concord Steam goes out of business. No action was taken regarding this item.
- 6. Adjournment: The meeting adjourned at 12:50PM

Respectfully Submitted,

Matthew R. Walsh Director of Redevelopment, Downtown Services, & Special Projects